

Kaiser Family Foundation Tutorial Key Funders July 21, 2008



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JEN KATES: The question of funding in the fight against HIV/AIDS and how do we finance the response is a really critical one. And until just maybe the last seven, eight years, there really was not a lot of funding going into combating this disease and that has really changed. Now, we can actually look across the world and really see that there is much more funding available.

When we look at the picture here to see who is able to provide financial resources to combat HIV around the world, there are few key sources. They do differ from each other. The main source are donor governments, governments like United States, like countries in Europe, the GA, and other donor governments provide the bulk of the world's resources to combat HIV. And they do that in two ways.

One of the ways that they do that is through their own bilateral programs meaning a country like the U.S. will provide financial support for programs in other countries, directly to those other countries or those programs. That is called bilateral aide.

JACKIE JUDD: Government to government.

JEN KATES: Government to government. It does not have to be to another government. It could be government to government, government to a program in a country, but it is directly to, the next level is the country. That is a lot of the funding. Different donor governments focus on bilateral aid, some focus on other methods.

The second method that donor governments use is multilateral contributions, in other words, giving money to another entity like the Global Fund, and I will talk about that in a minute, or the World Bank, that it then distributes that funding for programs in country.

Why would a donor do that? Well, some donors do that because the multilateral entity can reach countries that they cannot reach. Maybe it has programs in different countries. Some donors do that because they recognize that pulling resources with other governments in a multi-lateral organization can have other impacts.

So, there are reasons that donors do both bilateral and multilateral. And that mix will vary from country to country. So, donor governments really provide the bulk of the world's resources through both mechanisms.

Multilaterals are very, very important. The main ones in HIV being the Global Fund to Fight AIDS, Tuberculosis, and Malaria and the World Bank and there is some others as well. But, those are really the two big ones. These are entities that are set up, the Global Fund is set up as independent financial instrument entity to raise finances from governments from other donors around the world and then in turn, provide that funding to countries for AIDS programs and TB and Malaria programs.

So, it is a very, very important source of funding. And it depends on donors, primarily donor governments for its funding. The World Bank has programs throughout the developing world and it also depends on donor governments for a lot of its funding. But, it then in turn, runs programs all over the world. So, we have donor governments, multilateral agencies and then we have the private sector.

The private sector plays a really critical role here because the private sector and by that, I mean businesses, foundations, individuals, both provides resources, actual financial resources as well as in kind donations, whether it is medications, expertise, technical assistance.

JACKIE JUDD: And is the biggest player the Gates Foundation?

JEN KATES: The biggest player in the private sector is the Bill and Melinda Gates Foundation in terms of the amount that it is able to provide. Most foundations and most, frankly any other entity in the private sector really is not able. They just have more resources.

Given that, what is really important to understand is, and the private sector is so critical, the bulk of the resources will always need to be coming from donor governments. And that is really where the amount of resources will be most likely to come from. Whereas private sector could fill in the gaps, can do some innovation, can go places where governments maybe cannot. But, the private sector at this point in time, will never really be the main financier of the response.

JACKIE JUDD: And in the U.S., the mechanism is PEPFAR, can you walk us through that?

JEN KATES: Sure. In the United States, the program that the U.S. Government has created in 2003, is the President's Emergency Plan for AIDS Relief, PEPFAR. PEPFAR was a newly created largest U.S. health initiative and largest health initiative in the world, created to coordinate the entire U.S. Government global response to HIV. Everything that the U.S. Government at whatever agency was then brought

into this new construct called PEPFAR.

It also included a dramatically increased amount of funding and it centralized the U.S. response. The U.S. Government is the largest donor of any donor and PEPFAR is operating in over 100 countries around the world, providing financial resources, providing technical assistance, providing staff.

The bulk of its resources are provided to what it calls focus countries, 15 focus countries.

JACKIE JUDD: Should reporters look to these organizations as sources of potential sources? There is an expression in the U.S. as you know, 'follow the money'.

JOHN DONNELLY: Right, right. That is the most important place to look for stories. I think following the money is the way toward your richest source of articles. And sometimes that is difficult. We should acknowledge for reporters that is not always easy.

I think people in the U.S. have had a hard time trying to get some numbers out of the PEPFAR government, even though they publish a lot of numbers, there is still a lot of nitty gritty numbers they cannot get to.

But, the Global Fund, for instance, publishes on its Website all the grants that it has. So, there is an open source of information for that. Also, most of these organizations put out press releases very frequently about the funding that goes out.

Once you have one number, you can then drill down deeper. You go and you ask where exactly is this money going for what kinds of things and you look back and compare to previous years. So, you can look at trend data, which is very, very important to try to judge whether programs are scaling up like they should be for instance.

RENATA SIMONE: Sometimes you are surprised by who is benefiting. The money only gets within 10 feet of the ground, it does not actually get to the ground. But, when it does, it is very moving. We told a story of a little 4-year-old girl whose life was saved with PEPFAR funding in South Africa, a place where, as you know, the government still is reticent to acknowledge the role of ARV's in controlling AIDS symptoms. So, it is a gold mine.

JEN KATES: Donors are all saying, well, we are going to really emphasize treatment. Well then reporters should be saying, what is going to happen to prevention? If donors are saying well, we can do a one-year commitment, we are not sure about the next three years, reports should be wondering what is going to happen.

The financing of the response, given how enormous the epidemic is, given that the treatment needs are very high in terms of cost and are going to continue, that we have not even as a global community scaled up our prevention response to the level it needs to be, that in addition to HIV there is multiple other health problems out there, that in our sect with HIV or separate that also require resources, researchers are a critical factor. They are not the only factor in our response, but without them, we would really not be where we are.

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